



Case Study "Training Evaluation"

ROI (Return on Investment)

The 100-employee information technology (IT) department of a financial services company had a high turnover rate. A survey of employees revealed that the reason most left was dissatisfaction with the level of training. The average turnover rate was 23 percent per year. The cost to recruit and train one new employee was \$56,625. To address the turnover problem, the company developed a skills training program that averaged 80 hours per year per employee. The average employee wage was \$35 per hour. Instructor, classroom, and other costs were \$170,000.

- A. What is the total cost of training?
- B. What is the total cost of turnover?
- C. If the turnover rate dropped 8 percent (from 23 percent to 15 percent), what was the financial benefit of the training program?
- D. What was the ROI of the training program?
- E. How much would the turnover rate have to be reduced from 23 percent for the training program to show a benefit? (ROI = 100%)



Training & Development – Case Studies

You have conducted the training needs assessment (TNA) in your organization and you discovered that the problem of low performers and high turnover of the new staff was due to ineffective selection.

You decided to conduct a training program on interviewing skills for both recruitment and department managers (and supervisors).

You have been asked by the CEO and management team who spent 3 days in the training program to measure and present the impact of training to ensure that the training program had achieved its objectives.

Questions:

1. Write an objective for this training program.
2. What is/are the best method(s) you can recommend to deliver this training program? And why?
3. What the best 2 methods (according to Kirkpatrick) that can be used to evaluate this training program outcome?